



**CALIFORNIA**

# Technician/AGR Administrative Instruction

National Guard Technicians - CAL NG Active Guard/Reserve

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**MILITARY DEPARTMENT**

**P. O. BOX 269101  
Sacramento, CA 95826-9101**

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## **THRIFT SAVINGS PLAN (TSP) FOR ACTIVE GUARD AND RESERVE (AGR) SOLDIERS**

1. This TAAI clarifies the Thrift Savings Plan (TSP) for the California National Guard Active Guard and Reserve (AGR) soldiers.
2. The TSP is a retirement, savings and investment plan that has been available to civilian employees of the Federal Government since 1987. The purpose of the TSP is to provide retirement income. The TSP allows participants to save a portion of their pay in a special retirement account administered by the Federal Retirement Thrift Investment Board. The money that participants invest in the TSP comes from pre-tax dollars and reduces their current taxable income. Investments are not taxed until they are withdrawn.
3. In 2000, Congress extended the plan to include uniformed service members. Members of the uniformed services will participate under most of the same rules and receive the same benefits as civilian TSP participants. However, the contribution rules are different for uniformed service members. The booklet, *The Summary of the Thrift Savings Plan for the Uniformed Services*, will be placed on the web site listed below during September 2001. This booklet is the authoritative source of information about the TSP. Please read it before making any investment decisions.
4. Participation in the TSP is optional and not automatic. You must sign up to participate in the TSP. You contribute to the TSP from your own pay on a pre-tax basis, and the amount you contribute and the earnings attributable to your contributions belong to you. They are yours to keep even if you do not serve the 20 years ordinarily necessary to receive military retired pay. The TSP is a defined contribution plan. The balance in your TSP account will depend on how

much you have contributed to your account during your working years and the earnings on those contributions.

5. Current members will be able to sign up to participate in the TSP during an enrollment period, beginning on October 9, 2001, and ending on January 31, 2002. Contributions to the TSP based on the sign-up will begin to be deducted from paychecks beginning in January 2002. Members who do not enroll during the special open season will have two "open seasons" per year to enroll thereafter. (Open seasons are currently May 15 through July 31 and November 15 through January 31.) New members of the uniformed services will have 60 days after joining the service to enroll in the TSP; thereafter, they may enroll during the semiannual open seasons.

6. During 2002, service members may contribute up to 7 percent of their basic pay. Service members can also contribute all or a percentage of any special pay, incentive pay, or bonus pay they receive up to a total amount that generally cannot exceed \$10,500 for the year. Contributions from earned income while in a combat zone do not count against the \$10,500 ceiling and are subject to a different limitation, which is 25% of pay or \$35,000, whichever is less. Once you begin participating in the TSP, you will be able to access your individual TSP account in the account access section of the web site.

7. The law allows the Secretary of the Army to designate critical military specialties for matching contributions. Members serving in these specialties who agree to serve for six years will be eligible for matching contributions. The matching contributions apply only to amounts you contribute from your basic pay.

8. Additional information concerning the TSP is available at following website: <http://www.tsp.gov/uniserv/>.

9. Direct your questions concerning this TAAI to SGT Vasquez at CAGNET 66328 or commercial (854) 594-6328

FOR THE ADJUTANT GENERAL:

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